



# DELAWARE RENEWABLE ENERGY TASKFORCE

STATUTE REVIEW  
SEPTEMBER 2, 2010

# Title 26, Chapter 1, Subchapter III–A

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- ▶ Renewable Energy Portfolio Standards Act
- ▶ Goal of this chapter:
  - Establish a market for renewable energy resources in Delaware; and
  - Lower the cost to consumers for electricity from renewable resources.

# Key Provisions

- ▶ Delaware PSC shall determine, verify, track and assure compliance with renewable energy portfolio standards;
- ▶ Statute requires set annual level of renewables (25% by 2025), with solar carveout and provides for SOS exception; and
- ▶ Provides for a Renewable Energy Taskforce to review the Standards Act and provide recommendations on selected issues .

| SCHEDULE I  |  |   |
|---|--|---|
| Compliance Year<br>(beginning June 1st)   | Minimum Cumulative Percentage from Eligible Energy Resources | Minimum Cumulative Percentage from Solar Photovoltaics* |
| 2010  | 5.00%  | 0.02%   |
| 2011  | 7.00%  | 0.20%   |
| 2012  | 8.50%  | 0.40%   |
| 2013  | 10.00%   | 0.60%   |
| 2014  | 11.50%   | 0.80%   |
| 2015  | 13.00%   | 1.00%   |
| 2016  | 14.50%   | 1.25%   |
| 2017  | 16.00%   | 1.50%   |
| 2018  | 17.50%   | 1.75%   |
| 2019  | 19.01%   | 2.00%   |
| 2020  | 20.00%   | 2.25%   |
| 2021  | 21.00%   | 2.50%   |
| 2022  | 22.00%   | 2.75%   |
| 2023  | 23.00%   | 3.00%   |
| 2024  | 24.00%   | 3.25%   |
| 2025  | 25.00%   | 3.50%   |
| * Minimum Percentage from Eligible Energy Resources Includes the Minimum Percentage from Solar Photovoltaics. |  |   |

# Additional Provisions

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- ▶ Provides for multiple credits for certain renewable resources;
- ▶ Permits the trading of renewable energy credits;
- ▶ Provides DEO with freeze option at 3% of revenues;
- ▶ Provides for a 10% adjustment of ACP price if required;
- ▶ Provides for a 20% adjustment of Solar ACP price if required;
- ▶ Establishes 3 year RECs life; SEU unlimited life;
- ▶ Requires a Taskforce to be formed by October 26, 2010;
- ▶ Authorizes an administrative fee for Commission transaction costs;
- ▶ Provides for an alternate approach for Cooperatives and Municipals;
- ▶ Provides for a non-bypassable surcharge for regulated utility costs.

# Renewable Energy Taskforce Provision

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- ▶ Establish an eleven (11) member taskforce to provide recommendations on:
  - the establishment of a trading mechanism and
  - the establishment of other structures to support growth of renewable energy markets in Delaware
- ▶ Report findings to Commission, DNREC Secretary, Cooperative Board of Directors and pertinent local authorities, who then each promulgate rules and regulations, or adopt policies, based on the Taskforce findings.

# Focus for Taskforce Recommendations:

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- ▶ Establishing balanced markets for REC and SREC trading;
- ▶ Establishing aggregating and other mechanisms to encourage deployment of renewable technologies in Delaware with least impact on suppliers, companies and cooperatives;
- ▶ Assessing progress toward achieving minimum cumulative percentages of renewable energy;
- ▶ Minimizing cost of compliance;
- ▶ Establishing revenue certainty for investment in renewable energy technologies;
- ▶ Establishing mechanisms to maximize renewable generation and local manufacturing; and
- ▶ Ensuring Solar PV and Thermal systems are financially viable and cost effective in Delaware.

# What are key questions?

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- ▶ What type of REC and SREC markets exist in Delaware? Are they balanced? Unbalanced? What are the annual market transaction volumes and prices? Who are the major suppliers and purchasers? Are volumes and prices reasonable?
- ▶ What mechanisms will encourage deployment of renewable technologies in Delaware with least impact on providers? What mechanisms are currently in place? What mechanisms are other states using? What are best state practices?
- ▶ What mechanisms can be used to promote renewable generation and related local manufacturing? What level of manufacturing currently exists in Delaware? What helps sustain current manufacturing businesses? What is needed?

# What are key questions?

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- ▶ How can Delaware create revenue or price certainty for investment in renewable technologies? What is the cost of new entry for renewable generation? What returns are available and how do REC prices factor in? Are there ways to ensure cost stability and recovery for renewables?
- ▶ What mechanisms can make Solar PV and Thermal systems more cost effective and financially viable? What are system costs? How do they compare with other technologies? What is needed to improve system competitiveness?
- ▶ Are Delaware utilities able to achieve the minimum levels of renewable energy? What is the achievement costing? Are there ways to minimize the cost of compliance? What are comparable costs in other states?